

BAYLOR UNIVERSITY

AN APPLICATION OF THE MARKETING PROCESS TO  
EISENHOWER ARMY MEDICAL CENTER

A GRADUATE MANAGEMENT PROJECT SUBMITTED TO  
THE FACULTY OF THE U.S. ARMY-BAYLOR GRADUATE PROGRAM

BY

LT BRIAN P. THOMPSON, USCG

FT SAM HOUSTON, TEXAS

JULY 1997

20000107 031

# REPORT DOCUMENTATION PAGE

Form Approved  
OMB No. 0704-0188

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188), Washington, DC 20503.

1. AGENCY USE ONLY (Leave blank)		2. REPORT DATE JULY 1997	3. REPORT TYPE AND DATES COVERED Final Report (07-96 to 07-97)	
4. TITLE AND SUBTITLE An Application of the Marketing Process to Eisenhower Army Medical Center			5. FUNDING NUMBERS	
6. AUTHOR(S) Lieutenant Brian P. Thompson				
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) DD Eisenhower AMC Fort Gordon, GA 30905-5650			8. PERFORMING ORGANIZATION REPORT NUMBER  4-97	
9. SPONSORING / MONITORING AGENCY NAME(S) AND ADDRESS(ES) US ARMY MEDICAL DEPARTMENT CENTER AND SCHOOL BLDG 2841 MCCS-HRA US ARMY-BAYLOR PROGRAM IN HCA 3151 SCOTT RD SUITE 1412 FORT SAM HOUSTON, TEXAS 78234-6135			10. SPONSORING / MONITORING AGENCY REPORT NUMBER	
11. SUPPLEMENTARY NOTES				
12a. DISTRIBUTION / AVAILABILITY STATEMENT APPROVED FOR PUBLIC RELEASE; DISTRIBUTION IS UNLIMITED			12b. DISTRIBUTION CODE	
13. ABSTRACT (Maximum 200 words)  Dwight David Eisenhower Army Medical Center (DDEAMC) has reorganized itself along product lines in order to streamline services and provide appropriate care on a regional basis. Known as product line management in the civilian sector, it attempts to focus on specific products and markets in a specialist strategy. One technique utilized in the civilian sector that decentralizes the marketing function along product lines is the czar approach. Using this approach, those that are closest to the customer are responsible for marketing products. The theory is they know their customers and are in a better position to respond to the wants and expectations of the customer. The purpose of this study was to identify responsibility of marketing at DDEAMC, provide an explanation of marketing and how it can be used at DDEAMC. Promotional activities, specifically publicity, constitute a large portion of the marketing effort instituted at DDEAMC. These efforts are organized by the Public Affairs Officer (PAO) and at times involve coordination with the Directorates. By utilizing a segment manager and the expertise of the PAO, a more comprehensive promotional effort will be implemented.				
14. SUBJECT TERMS Product Line Management, Marketing, Centers of Excellence			15. NUMBER OF PAGES 46	
			16. PRICE CODE	
17. SECURITY CLASSIFICATION OF REPORT N/A	18. SECURITY CLASSIFICATION OF THIS PAGE N/A	19. SECURITY CLASSIFICATION OF ABSTRACT N/A	20. LIMITATION OF ABSTRACT UL	

## ACKNOWLEDGMENTS

I would like to personally thank my wife Michele for all her love and support in preparing this project. Also, I thank my unborn child for helping me to keep the big picture in life, now and forever. Appreciation and gratitude are extended to my preceptor, Colonel Ronald Dunn for his guidance. Special thanks to my faculty reader Lieutenant Colonel David Heier for his editorial review.

Major Lance Maley provided critical review, friendship and bench pressing partnership during the residency and preparation of this document. All the librarians at Eisenhower Army Medical Center assisted in the literature searches and interlibrary loans too numerous to mention.

I would also like to thank Lieutenant Jonathan Copley for his persistence in getting this project completed. Finally, I would like to thank my college professor from the University of Wisconsin-Eau Claire, Dr. Ronald Decker, whose letter of recommendation assisted me in getting into the U.S. Army - Baylor University Graduate Program in Healthcare Administration and put me in the marketing frame of mind.

## ABSTRACT

Product line management attempts to focus on specific products and market in a "specialist" strategy. Dwight David Eisenhower Army Medical Center (DDEAMC) has taken initial steps to implement product line management by reorganizing along product lines. DDEAMC has not however, attempted to support their own strategic plan by implementing a marketing plan.

There must be a more unified marketing effort at DDEAMC for the many product lines it offers. One technique utilized in the civilian sector that decentralizes the marketing function along product lines is the czar approach. Using this approach, those that are closest to the customer are responsible for marketing products. The theory is "they know" their customers and are in a better position to respond to the wants and expectations of the customer.

The purpose of this study was to identify who is responsible for marketing at DDEAMC, and to provide an explanation of marketing and how it can be used at DDEAMC. Of greatest utility to the segment manager, is a description of the health care product. Many health care organizations have looked at the health care product as a bundle of elements. In order to meet the wants and expectations of the customer, segment managers can manipulate these elements. Promotional activities, specifically publicity, constitute a large portion of the marketing effort instituted at DDEAMC. These efforts are organized by the Public Affairs Officer (PAO) and at times involve coordination with the Directorates. By utilizing a segment manager and the expertise of the PAO, a more-comprehensive promotional effort will be implemented.

## TABLE OF CONTENTS

ACKNOWLEDGMENTS .....	ii
ABSTRACT .....	iii
LIST OF ILLUSTRATIONS .....	v
LIST OF TABLES .....	vi
INTRODUCTION .....	1
Conditions which prompted the Study	
Statement of the Problem	
Literature Review	
Purpose	
METHODS AND PROCEDURES .....	13
RESULTS .....	14
Market Analysis	
Customer Analysis	
Marketing Function	
DISCUSSION .....	25
CONCLUSION AND RECOMMENDATIONS .....	31
APPENDIX A .....	33
APPENDIX B .....	34
APPENDIX C .....	35
WORKS CITED .....	38

## LIST OF ILLUSTRATIONS

### Figure

1. Managed Care Directorate Organizational Chart ..... 5

## LIST OF TABLES

### Table

1. Steps of the Marketing Plan .....	15
2. Market Size and Production Capacity Forecasts .....	16

## INTRODUCTION

### 1. Conditions which prompted the study

Dwight D. Eisenhower Army Medical Center (DDEAMC) located at Fort Gordon, near Augusta, Georgia is a 313 bed, thirteen story, tertiary care center that in addition to its traditional role of providing patient care, conducts research and has an extensive Graduate Medical Education program. In response to changes in the Military Health Services System (MHSS), DDEAMC reorganized along product lines, under Directorates (Appendix A). Each Directorate is responsible and accountable for each product line under their control and is comprised of a staff made up of the Directorate Chief, Head Nurse, Health Care Administrator and Non-Commission Officer-in-Charge.

Recently, DDEAMC has been established as a Specialized Treatment Service (STS) for cardio-thoracic surgery. Called a center of excellence in the civilian healthcare industry, an STS involves medical care that is best delivered in centers of excellence to ensure the most favorable patient outcomes and to conserve resources (Department of Defense 1995). As an STS, DDEAMC expands its catchment area for cardio-thoracic surgery from 40 miles to 200 miles and has right of first refusal on these cases. There are efforts underway to determine whether DDEAMC should be established as an STS for spine surgery. As DDEAMC is adding new products, it becomes necessary to develop marketing plans that address the wants and expectations of the customer. For instance, a

marketing plan for the current cardio-thoracic STS would differ from a future STS in spine surgery. Different customers will bring different expectations and needs.

TRICARE, the military's managed care program, has also recently been implemented, and the result is a health care system that is volatile at best. TRICARE is a triple option health delivery model that integrates health services at the regional level for the nation's military. The model uses managed care support contracts to supplement care delivered by the Uniformed Services medical treatment facilities (Johnson 1996). Military beneficiaries will have a choice of enrolling in a health maintenance organization (HMO) plan, TRICARE Prime; a preferred provider option (PPO), TRICARE Extra; or traditional fee-for-service option called TRICARE Standard.

Only in the TRICARE Prime option is care received at the military treatment facility. In some regions, the beneficiary may have the choice of the military facility or a civilian primary care physician. Because of this, TRICARE has the potential to compete against the private sector for Department of Defense (DoD) medical beneficiaries (Boxmeyer 1996) and in essence, choice will foster competition.

As the MHSS moves to a more competitive environment, it is increasingly necessary to develop marketing plans that address the expectations of the customer and market specific product lines to those customers based on these expectations. In efforts to develop a competitive edge to convince beneficiaries to enroll in TRICARE Prime, DDEAMC had to improve patient access to care, use smarter business practices and develop customer driven product lines that also ensure Graduate Medical Education as a way to maintain its standing as a medical center.

Both the Army and DoD have undertaken several marketing efforts. These efforts support TRICARE and Army Medicine. The TRICARE marketing plan encompasses all three of the Armed Forces medical departments to include the Army Medical Department. The Army marketing plan has a goal of creating a preference for Army Medicine (U.S. Army Medical Department 1995). These plans are broad in scope and do not address the needs of specific treatment facilities.

The Assistant Secretary for Health Affairs (OASD(HA)) has developed a military facility marketing plan for the military's managed care initiative, TRICARE. This marketing plan is used in coordination with the Humana Military Health Systems (HMHS) marketing plan. The military treatment facility commander is responsible for developing and coordinating the military treatment facility's public affairs and TRICARE marketing programs within their catchment area. Additionally the military treatment facility commander must:

1. Ensure the installation commander and staff are briefed and knowledgeable about all aspects of the TRICARE program enrollment and implementation.
2. Request installation support to coordinate a series of dynamic TRICARE briefings for every active duty service member, retiree, and all family members within the catchment area. Special attention should focus on spouse briefings, as research has shown that, while they are the decision-makers regarding health care for their families, they have been overlooked as a primary target audience for information dissemination.
3. Implement intensive training programs to ensure the military treatment facility staff are thoroughly knowledgeable about every aspect of TRICARE.
4. Initiate proactive customer relations for military treatment facility staff to ensure they are positive representatives of the military treatment facility, the MHSS, and TRICARE.
5. Consult with the Lead Agent regarding TRICARE marketing. Provide marketing, managed care, and health benefits representation to the regional

marketing committee/working group.

6. Ensure the military treatment facility public affairs officer (PAO), marketing, and health benefits advisors are active participants in Regional TRICARE marketing committee/working group and are closely involved with the installation PAO to conduct the public affairs activities outlined in "Armed Forces Public Affairs Offices" portion of this Action Program.
7. Develop proactive Speakers Bureau to coordinate briefings/presentations for local veterans groups, military and retiree organizations about TRICARE, and upcoming changes in the MHSS (OASD(HA) TRICARE Marketing Office 1996).

The Army Medical Department (AMEDD) recently worked in conjunction with the Atkins Advertising Agency of San Antonio, Texas to develop a marketing plan for Army Medicine. Objectives of the plan include:

1. Create a preference for Army Medicine.
2. Generate understanding for the Army's readiness mission.
3. Convince beneficiaries to access Army Medicine through TRICARE.
4. Integrate health promotion into Army life.
5. Ensure Army Medicine has the quantity and quality of personnel to carry out mission.
6. Maximize the cost effectiveness of Army Medicine's marketing program (U.S. Army Medical Department 1995).

Organizationally, the DDEAMC Managed Care Department has responsibility for marketing, under Contracts and Agreements (Figure 1).

## Department of Managed Care

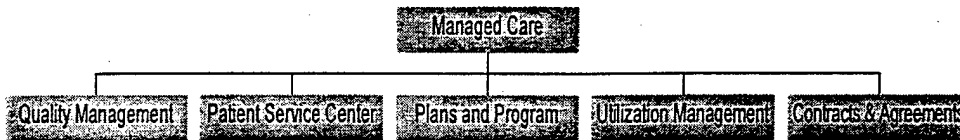


Fig. 1. Organizational chart of Managed Care Department

As the federal government reduced the size of the military, the MHSS found itself with fewer and fewer resources. In response to the reduction, DDEAMC was forced to cut the marketing function from its manning document called the table of distribution and allowances (TDA). DDEAMC has decentralized the organization along product lines, yet has continued to maintain a centralized and unmanned marketing function. While both OASD-HA and the Army Medical Department have begun marketing programs, DDEAMC has cut the marketing function from the TDA. Currently at DDEAMC, one civilian employee (GS-11) is assigned to Contracts and Agreements and is also given responsibility for marketing. However, during interviews in the Managed Care Division, it is evident the duties of marketing are not being carried out by this employee due to the workload in contracting. Simply labeling an existing function as marketing is more symbolic than substantive and is not likely to result in good marketing plans.

The specific roles of the Marketing Section as discussed by the Department Chief are to:

1. Develop and publish a marketing plan
2. Plan and perform marketing research
3. Validate demographic profiles
4. Develop and direct advertising and promotional campaigns for EAMC
5. Select and develop communication mediums to reach target consumer groups
6. Identify opportunities to expand capacity and recover dollars spent on high cost programs (Ferguson 1996).

The marketing plan developed by HMHS for TRICARE was designed to educate beneficiaries about their healthcare options and specifically encourage those who have been using Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) to enroll in TRICARE Prime or use the TRICARE Extra network. The marketing plan does not however, address the specific needs of the customer at each military facility. By not having a manned marketing staff, DDEAMC has placed itself in a position to rely on the HMHS marketing plan for TRICARE.

Marketing strategies are developed out of the strategic planning process (Duncan 1995). DDEAMC's Strategic Plan recommends that a marketing plan be developed and implemented (DDEAMC Strategic Plan 1994-95). DDEAMC offers other services that must be marketed to ensure all customers are aware of them (cardio-thoracic surgery, primary care, orthopedics, interventional cardiology and other residency programs). This in turn will support the TRICARE and Army marketing plans as beneficiaries gravitate towards DDEAMC. Therefore, it would benefit DDEAMC to have one flexible plan that could complement any product line.

## 2. Statement of the problem

DDEAMC has a captive market when beneficiaries enroll in TRICARE Prime. After one year, the customer (other than active duty) has the option to re-enroll or disenroll. If the customers expectations and needs are not identified and met, they may not re-enroll. With numerous product lines in place, one marketing plan for the whole hospital is not sufficient. DDEAMC needs to have a marketing plan process in place that can adapt to changes in product lines. This project will outline the processes necessary to ensure DDEAMC develops successful marketing plans for each product line.

## 3. Literature Review

Marketing in health care organizations spans a wide range of activities. It may be defined narrowly as little more than advertising and public relations, or defined broadly as a comprehensive set of services including market research, planning and market development. For the purposes of this project, marketing is defined as the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives (Berkowitz 1996). Overall, the purpose of a marketing plan is to provide a focal point for the marketing activities of an organization (Marketing Strategies, Inc. 1994). An effective marketing plan will address the various factors that affect the customer's decision-making process, also known as buyer behavior (Berkowitz 1996). Research indicates different marketing tactics are associated with variations in strategic management style. Before developing a marketing plan, marketing directors in nonprofit

hospitals should examine the strengths and weaknesses in their organizations' strategic plan (Parry and Parry 1992).

At its most basic level, a marketing plan defines a business's niche, summarizes its objectives, and presents its strategies for attaining and monitoring those goals. It's a road map for getting from point A to point B. But road maps need constant updating to reflect the addition of new routes. Likewise, in healthcare in which technology and the competitive landscape are constantly changing, the concept of a static marketing plan has to be reassessed (Reese 1996).

Marketing is not merely advertising in various media. It entails determining the appropriate customer, designing services that will satisfy that customer, pricing the service at a level that is acceptable to the customer and developing a plan to make the service available where the customer wants it (Duncan 1995). With a sound marketing plan and a concerted effort, military treatment facilities should expect a return on the resources expended toward marketing (Boxmeyer 1996). Larger military treatment facilities should have a full-time marketing specialist available to work with HMHS and local officials to market DDEAMC to the beneficiary population (Boxmeyer 1996).

Arnwine and Novak (1988) identified three activities health care organizations can base a health care marketing plan on. They can be summed up by these questions:

1. Who is the customer?
2. What are the customer's requirements?
3. How does the product meet the customer's requirements?

The TRICARE Marketing Office acknowledges five major activities:

1. Identifying customers and their needs.
2. Developing products and services to meet customer needs.
3. Communicating to customers that their needed products and services are available and where.
4. Providing products and services in a customer-satisfying manner.
5. Measuring the degree to which customer needs are satisfied (OASD(HA) TRICARE Marketing Office 1996).

Understanding the customer and meeting their needs is a simple way of describing the marketing process. The organization must be focused externally and on customer groups. The whole focus of the marketing process should be based on how the customer views the business.

Central to a good marketing plan is the concept of being customer focused. Dr. Stephen Joseph, Assistant Secretary of Defense for Health Affairs (OASD(HA)), views customer focus as the number one priority for the military health-services system (Gillert 1996). In the civilian sector a large number of health care organizations address customer focus by conducting ongoing customer satisfaction surveys. This should be an essential ingredient of any marketing strategy (Berkowitz 1996). Customer satisfaction surveys help the health care organization measure the effectiveness of their customer focus efforts.

In the health care industry, product line management came into existence as a response by selected health care organizations to the changing competition in the marketplace, reimbursement methods, and pressures to contain patient-care costs in the early 1980s (Naidu, Kleimenhagen and Pillari 1993). A product line is a grouping of

products that are related to each other in terms of the needs they satisfy for the customers who purchase them and possibly the means by which they are delivered (France and Grover 1992). For example an obstetrics product line might offer such products as infertility treatment, labor and delivery services, and childbirth and prenatal classes. In implementing a product line strategy with an integrated marketing function, questions must be raised concerning the relative degrees of responsibility, authority, and accountability given to the staff responsible for the product line.

The concept of product line management had considerable success in consumer package companies. However there have been few studies to determine if there is an advantage to implementing product line management. Hospitals who have successfully implemented product line management have demonstrated a marketing orientation and featured centers of excellence<sup>1</sup> in their product mix (Naidu, Kleimenhagen and Pillari 1993). DDEAMC is well underway in determining whether it should apply for STS status for several procedures, however it has not demonstrated a marketing orientation.

Marketing must be structured specifically to meet the needs of the product lines, because under decentralization, the product line is the primary level of accountability (Zelman and Parham 1990). Individuals charged with marketing responsibilities in organizations implementing product line management, are known as segment managers. Segment managers are responsible for creating marketing plans, and most importantly, for knowing their markets (Personett and Fyfe 1988). A segment manager who is close to the customer will understand the consumer's decision-making process in order to predict which phases of that process can be best impacted by marketing (Jensen 1988). A

---

<sup>1</sup> Centers of excellence in the civilian sector are synonymous with STS in the military.

segment manager who is externally focused realizes the expectations and needs of the customer and then is able to provide services to meet those expectations and needs.

Successful companies are revamping their marketing plans to emphasize two points:

1. Marketing is a dialog between customer and supplier
2. Companies have to prove they're listening to their customers by acting on their input (Reese 1996).

Two of the hottest buzz words for the 1990s are "interactive" and "integrated" (Reese 1996). A successful marketing plan has to be both. "Interactive" means the marketing plan should be a conversation between the business and the customers. It is a chance to tell customers about the business and to listen and act on their responses. "Integrated" is the message in the marketing plan that is consistently reinforced by every department within the company. Marketing is as much a function of the clinical directorates as it is the function of the public relations staff. Integrated also means each time a company reaches out to its customers through an advertisement or promotion, it is sending the same message and encouraging customers to learn more about the product.

Once the marketing process has begun, definitive factors that define what the overall marketing effort is trying to achieve should be addressed (Marketing Strategies, Inc. 1994). These are commonly defined as objectives. Objectives are either qualitative or quantitative. Qualitative objectives state reasons behind offering a particular service; quantitative objectives include volume and market share (Berkowitz 1996).

France and Grover identified five characteristics of the health care product that differentiate it from other consumer products and services. The health care product is: (1)

high on credence qualities, (2) subject to considerable mismatch between consumer expectations and actual product delivery, (3) faces unpredictable demand, (4) intertwines the decision maker and the consumer and (5) has a high degree of inelasticity. Tactics to deal with these characteristics include addition of elements to increase perceptions of quality, manipulation of elements to position the product for specific segments, addition of elements to help overcome erratic demand, marketing different elements of a health care product to different stakeholders, and add elements that reduce nonmonetary costs for consumers (France and Grover 1992).

While marketing has been positively received in other industries, there are lingering criticisms made against it in the health care arena. Marketing is looked on as being manipulative, intrusive, wasting money, lowering quality, and causing unnecessary utilization (Allen 1988). Opposition to marketing centers on ethical issues, whereas arguments favoring the use of marketing focus on information needs, economic and competitive issues (Leventhal 1995).

Traditionally, people involved in the buying process have been considered customers. However, estimates are that physicians control 80 percent of health care costs as they prescribe pharmaceuticals and medical equipment and determine hospitalization (Duncan 1995). Lately, hospital organizations have also focused their marketing efforts on the physician (Endress 1988). A physician-centered marketing plan will, in part, identify what is important to the physicians and develop products that meet their needs (Endress 1988).

#### 4. Purpose

The purpose of this project is to create a flexible and adaptable process to facilitate the development of a marketing plan at DDEAMC that addresses several product lines. Activities of the process will include defining the customer, defining the customer's requirements, identifying how the product meets the customer's requirements, and developing goals, strategy and an implementation plan.

### **METHODS AND PROCEDURES**

This Graduate Management Project combined previous education in marketing and skills attained during the didactic phase of the U.S. Army-Baylor University Graduate Program in Health Care Administration.

The following tasks were accomplished during this study:

1. Added to the working literature reference list by reviewing and analyzing professional journal articles, government regulations and other pertinent references using the hospital library, local civilian health care institutions and other documentation that outline marketing processes.
2. Interviewed personnel who were involved with the marketing process at civilian health care institutions and incorporated their recommendations into this study.
3. Identified measurable outcomes of marketing by OASD-HA.

4. Observed, described, analyzed and provided feedback to the executive staff at DDEAMC.

This is a qualitative study designed to determine what will comprise the marketing process. Other marketing processes were compared and contrasted to determine an appropriate marketing mix. The primary research publications used in this study were Business Research Methods (1995) by Cooper and Emory and Qualitative Evaluation and Research Methods (1990) by Michael Q. Patton.

To ensure this study complies with all ethical guidelines, all personnel interviewed were informed of the purpose of the study and their right not to participate and ensured anonymity.

## **THE RESULTS**

As DDEAMC implements a product line approach to services, it is faced with a number of choices regarding the complex interplay of marketing. One approach for DDEAMC would be to continue decentralizing roles and responsibilities. With the decentralized Directorate approach, DDEAMC should also decentralize the marketing function along product lines. The literature is consistent on the steps of the marketing process even though the terminology varies. The steps most often cited contain an analysis of the competition, potential and current customers, and implementing a marketing mix. The marketing plan implemented by DDEAMC's Directorates for their product lines will include the steps listed in Table 1.

Table 1.--Steps of the Marketing Plan

<u>Step:</u>	<u>Purpose:</u>
1) Market Analysis	Determine market size, potential Forecast demand
2) Customer Analysis	Determine "who" the customer is
3) Marketing Function	Develop marketing mix Develop and measure objectives

The marketing function should no longer lie within the Managed Care Department. Currently, there are not enough dedicated resources within Managed Care to carry out a marketing plan. The approach of product line marketing will decentralize decision making to the product line level. A segment manager, such as a Health Care Administrator, assumes complete authority and control over the marketing function within a product line. This approach is consistent with the decentralized structure DDEAMC recently implemented. Each Directorate will soon be staffed with a master's trained Health Care Administrator. The Health Care Administrator will be in the best position to plan, develop and implement a marketing plan for the Directorate's product line.

### **Market Analysis**

The purpose of the market analysis is to decide how DDEAMC fits into the market served. The market served can be defined by the segment of the general population that DDEAMC has decided to serve. Examples would include specialization in specific procedures or diseases. Also, by developing a market analysis DDEAMC can

predict demand for a product and monitor relative performance. The market analysis will determine the actual size and forecast potential the market holds in which a service exists.

Understanding the competition allows a health care organization to develop an appropriate marketing plan (Berkowitz 1996). Reviewing the strategies of competitors can improve the ability of the organization to identify opportunities to secure a competitive advantage (Parry and Parry 1992). DDEAMC currently monitors productivity in indicators that do not compare itself with the local community and may believe it is performing well without fully understanding the dynamics of the marketplace.

Numerical forecasts must first be calculated before objectives can be derived (Parmerlee 1993). These forecasts can be calculated in two steps: market size and production capacity (Table 2). Market size defines the entire market in which the DDEAMC is operating. Production capacity defines how much DDEAMC can and will produce.

Table 2.--Market Size and Production Capacity Forecasts

Market Size -includes Competition & EAMC	1)Market Potential- max number of procedures that could be performed	2)Market Forecast- total number of procedures that are being performed
Production Capacity - EAMC	1)Production Potential-max number of procedures EAMC could perform	2)Production Forecast-number of procedures EAMC will perform

Within the context of the market analysis, DDEAMC must analyze the competition. Market size comprises everything the competition and DDEAMC is producing. Market size can be further divided into two functions: market potential and market forecast. Market potential establishes the maximum number of procedures for all firms within a specific area and period of time. It is the broadest description of market size. Market forecast establishes the estimated number of products for all firms within an area and period of time. Market potential refers to the amount that could be performed; the market forecast establishes what should be performed. While there are not any databases that produce complete market potential and market forecast information, there are some databases that provide partial information. The Retrospective Case Mix Analysis System (RCMAS) provides information on CHAMPUS beneficiaries. Information on Medicare beneficiaries is maintained by the Health Care Financing Administration.

The second step of the market analysis, production capacity, can further be broken down to two functions: production potential and production forecast. Production potential establishes the maximum number of procedures DDEAMC is capable of producing (by product line) for the year. The production forecast establishes the number of procedures DDEAMC predicts it will perform (by product line) for the year. An example is outpatient procedures and visits. The Ambulatory Data System (ADS) will report the number by procedures and visits DDEAMC has accomplished for a specific timeframe. This will allow the segment manager to forecast future demand. Also, by

calculating market share (market forecast divided by production forecast), DDEAMC will have a statistic to reflect the success of the marketing strategy relative to the competition.

### **Customer Analysis**

During the customer analysis step of the marketing process, the organization must define the customer and determine their wants and expectations. Customers must be looked at as the most important aspect of the organization. The customers in a health care organization are many and diverse. Patients make up a large part of the customer base but may also include: physicians, employees, or third party payers. The current cardio-thoracic STS has not met the expected number of procedures that was originally envisioned. One explanation is the lack of a marketing plan directed at referring physicians. As DDEAMC continues to look into other STS possibilities, it is important to develop physician-centered marketing plans as well.

Demographics are the identifiable characteristics of people such as age, sex, occupation, and income. The customers of DDEAMC can usually be distributed among these standard demographic groups. Patient records are an excellent source for collecting demographic data. The records provide not only demographic data, but also list third party payers. Patient records are considered secondary data.<sup>2</sup> Secondary data has an advantage over primary data because it takes less time to collect and may not be as costly. Primary data collection<sup>3</sup>, however, allows the organization to address specific issues. For

---

<sup>2</sup> Secondary data is information that was previously collected for a purpose other than that to which it is being applied.

<sup>3</sup> Primary data is information collected for a specific research question.

normally distributed data, a sample size of 30 patient records is sufficient according to the central limit theorem.

One way to determine "who" the customer is, through primary data collection, can be accomplished by a customer profile survey (see appendix B). The customer profile survey should be done quarterly and used to seek general information from consumers visiting each clinic. This data can then be turned into useful information to identify trends supporting the marketing plan. For instance by tabulating the number of males and females that were given the survey, the segment manager will know approximately what percentage of their customers are male and female. This information can be used when determining what bundle of services to provide the male or female market.

DDEAMC should constantly be asking customers what they want and how they perceive the products and services they receive. DDEAMC may have a certain image of themselves, but if the customer sees them differently, the customer may feel deceived and frustrated. Companies that claim to offer superior service often appear to renege on their promises because their definition of 'service' doesn't mesh with their customers definition. The problem often lies in the company's assumptions about what customers really want.

One vehicle for determining the customers wants and expectations is through focus groups. Focus groups are used to delve into individuals' attitudes toward a particular organization (Ostasiewski and Fugate 1994). They comprise of 10-15 individuals who come together for an hour or two to discuss issues presented by an impartial facilitator. During the process, group members share their experiences at the hospital with each other. The facilitator of the group should list problems and possible

causes identified by the group. Causes are then analyzed and potential solutions discussed. The final step is to present the focus groups solutions to the Directorate Chief.

### **Marketing Function**

To this point, the marketing plan has been used to collect data and information on which to base sound strategies. The next step of the marketing plan is the marketing function which should have three sections: (1) goals and objectives; (2) the marketing mix and (3) measures of success.

#### *Goals and Objectives*

The goals component of the marketing plan is the most fundamental and must be based on DDEAMC's strategic plan. Questions that can help in developing objectives include: (1) Why are you writing this plan? (2) What do you want to accomplish? (3) What do you want to achieve in the next quarter, the next year, the next three years? The goals section is a constant reminder of what is to be achieved (Parmerlee 1993). For instance, once the orthopedic clinic is designated as an STS for spinal surgery, it may have a goal to familiarize customers with the STS for spine and to convince them to have their surgery done at DDEAMC. The orthopedic clinic will be trying to attract new customers and to influence the customers' behavior.

Definitive objectives can be established from the information obtained in the market and customer analyses. Objectives should be the specific results that DDEAMC is seeking to accomplish for each product line. Marketing objectives typically include improvement of market share and market growth (Duncan 1995). After completing the market analysis, it may be determined that DDEAMC is one of three hospitals performing

spine surgery in the local area. Market share was determined to be 50% and our predominately male customers preferred DDEAMC because of the friendly staff and convenient location. Examples of specific objectives may include: increased market share of spine surgery to an emerging female market by 10%; or build awareness of the Spine STS to 50% of all females.

### *Marketing Mix*

To use marketing effectively, one must understand the underlying elements of the marketing mix. The marketing mix consists of everything an organization can do to influence demand for its product (Blair 1995). The marketing mix section of the marketing function is comprised of four elements: product, price, promotion and place.

#### 1. Product

The product element of the marketing mix is the element around other strategic decisions are made (Berkowitz 1996). In health care, the product is usually a service. A service, which is intangible, becomes more of a challenge to market. The typical health care product is the promise and delivery of a cure for a consumer's illness or injury (Blair 1995). The product mix can further be defined in terms of width, length and depth of a product offerings (France and Grover 1992). Width refers to the number of product lines offered by DDEAMC, length refers to the number of different products offered within each product line and depth refers to the number of alternate products available to meet the same generic need. The more product lines (width) DDEAMC offers, the more diverse it is in terms of attracting different patients. For example in nephrology the

length of this product line is defined by dialysis, renal transplantation, treatment for kidney ailments and treatment for bladder disorders. For the dialysis product, the depth could be hemo-, peritoneal and home dialysis.

Each product is comprised of many elements termed a "bundle" by France and Grover (1992); both goods and services. The goods could be those used to provide a service, such as medical equipment, or those transferred or consumed by the consumer such as food. Tactics to alter customers perceptions of an organization's product may include adding, deleting or manipulating elements like adding luxury birthing suites or changing office hours.

## 2. Price

Current marketing literature recommends organizations plan their pricing strategy just as they plan product, promotion, and distribution strategies. However, pricing is a part of the marketing mix outside of the control of DDEAMC. From a TRICARE prospective, price is determined and approved by the DoD with input from the Joint Chiefs of Staff (Lead Agent Region 3 1995). TRICARE Prime has a simplified pricing structure which is consistent with other managed care plans that simplify pricing by retaining a large degree of control over the medical care their members receive (Conant, Mokwa and Burnett 1989).

## 3. Promotion

Promotion is the means by which an organization communicates with its customers and consumers about a service (Hallums 1994). The efforts of promotion hope to persuade a portion of the market to try a different behavior. They must also be in a

position to demand a service and pay for it or have it paid for on their behalf. Promotion can be broken down to four distinct activities: 1) advertising, 2) publicity, 3) personal selling and 4) sales promotion. These activities offer a wide range of possibilities for promoting DDEAMC's products.

Advertising covers everything DDEAMC pays to be communicated to the public through available media. This does not include only advertising in the media, but also includes the publication of brochures, leaflets, signs, displays and exhibits. The main purpose of advertising is to gain the customer's attention, attract customer interest, create desire for the service or services offered and prompt the customer to purchase and use the service (Hallums 1994).

Publicity involves communicating with others about DDEAMC's services through public media (Hallums 1994). Publicity is free, difficult to control and may not always be positive. Publicity requires a proactive approach and good stories about DDEAMC. It has the potential to reach large audiences and is a cheap method of gaining exposure. It can be a potent tool for building awareness and preference in the market place. An important form of publicity is word of mouth communication by consumers and employees (Hallums 1994).

Personal selling involves all communication delivered in person (Hallums 1994). It includes a dialogue with customers and is the only type of promotion that includes two-way communication. The marketing objective of DDEAMC in undertaking personal selling is to alter behavior of those with whom DDEAMC is communicating.

Sales promotion can be described as any activity or material that is not advertising, publicity or personal selling that acts as an inducement to referral sources and/or directly existing and potential customers (Hallums 1994).

#### 4. Place

Place refers to how and where the customer accesses a product (Berkowitz 1996). Understanding the flow of patient volume and the intermediaries who affect this flow is at the foundation of the marketing mix plan. Channels can be controlled and influenced by a variety of alternative strategies and depend on the respective power of someone involved in the channel. Several key decisions product line managers need to make include how the health care product should be distributed, who within the channel should perform specific functions, how much coverage of the market is needed and ultimately how the channel can be controlled.

#### *Measures of Success*

The survival of DDEAMC is the ultimate measurement of success for a marketing plan. OASD(HA) has called customer focus the number one priority for the military health services system. Any marketing plan implemented at DDEAMC needs to view customer satisfaction as a primary determinate of success. Measuring against the objectives formed earlier in the marketing plan is of importance; however, for this project, patient satisfaction is the determinant of success.

On a quarterly basis, OASD(HA) beneficiaries who had outpatient appointments are surveyed regarding their satisfaction with a specific appointment (Appendix B). The survey will permit direct comparisons among military treatment facilities, of the same

facility over time and against civilian benchmarks (Department of Defense 1996). A civilian contractor will mail a questionnaire directly to the patient's home 30-50 days after an appointment. The questionnaire will be customized to the date, time and clinic of the appointment, ask 20-25 multiple choice questions and allow space for patients written comments (Department of Defense 1996). The contractor will then report the results to the military treatment facility, Lead Agent, Service and OASD-HA within 45-60 days of the end of each quarter.

## **DISCUSSION**

Potential conflicts arise when the functions of marketing do not fit the strategic approach and decentralization orientation of DDEAMC. As DDEAMC moves from a centralist approach to a decentralized one, the marketing function must be able to accommodate a diversity of competing interests as well as the needs of the health care organization as a whole. Health care organizations operate optimally when the organization's marketing and product line strategies are congruent (Zelman and Parham 1990). In a study of six hospitals by Ruffner, the implementation of product line marketing allowed hospitals to build a market orientation, become more accountable, and develop a better management culture for centers of excellence. Johns Hopkins provides an example of a teaching hospital which successfully implemented product line management. The segment manager of a Johns Hopkins product line assists hospital executives in marketing efforts, including market research and advertising (Nackel and Kues 1986).

The major advantages of implementing this marketing plan along product lines are a potentially clear accountability structure and responsiveness to the environment. One disadvantage may be that it sacrifices the efficiency of DDEAMC because of duplication across Directorates. The result could be a lack of goal congruence between the Directorates within DDEAMC and a feeling of competition between Directorates. An option may be to maintain a core of marketing at the organizational level while specific functions that are idiosyncratic to the product line reside with the Directorate.

Determining market share is an important step when deciding whether DDEAMC should attempt to be recognized by OASD(HA) as an STS. However, OASD(HA) only requires the military treatment facility to estimate the military beneficiary demand. This is an absolute measure which does not serve the taxpayers well. The DoD may miss an extraordinary cost savings by not taking into account other civilian facilities that may perform the same service at a lower cost. In this day of cost effectiveness, the DoD cannot be expected to perform every medical procedure. Instead, it needs to concentrate on those that give the taxpayer the most return on the tax dollar and support DoD's readiness mission. The best way to measure this is by performing a total competitive analysis that takes into consideration all treatment facilities, both civilian and military. In determining whether or not DDEAMC should pursue STS designation, production capacity is a determining factor used by decision makers. Instead, production forecast is a more accurate forecast of what will be performed at DDEAMC. Not every procedure performed for beneficiaries within a 200 mile radius will be performed at DDEAMC. Some procedures are done on an emergent basis, such as cardio-thoracic surgery. It may

be impossible to transfer the patient to DDEAMC. Historical CHAMPUS and supplemental care expenditure data will provide this information.

Elements of the health care product should be evaluated when differentiating DDEAMC's product. DDEAMC should add elements to their product offerings that satisfy certain needs not met by competitive products. Continuous evaluation of a product's elements in relation to competitor's elements should be undertaken. When necessary elements should be changed in a timely fashion to maintain a competitive advantage.

The public affairs officer (PAO) conducts most of the promotion for DDEAMC. At this time, publicity constitutes the largest part of the promotion process DDEAMC is currently conducting. Segment managers must work closely with the PAO to determine promotional goals. Promotional tools vary in their cost-effectiveness at different stages of buyer readiness. These stages include: (1) awareness, (2) knowledge, (3) liking, (4) preference, (5) conviction, and (6) action (Ray 1982). Advertising and publicity play the most important roles in awareness. Customer understanding is primarily affected by advertising and personal selling. Customer conviction is influenced mostly by personal selling and less by advertising and sales promotion. Achieving action is influenced by personal selling and sales promotion (Hallums 1992).

One of the only national studies of HMOs pricing strategies examined the relationship between managerial style and (1) the relative importance of pricing, (2) the relative importance of pricing in competitive marketing strategy and (3) financial performance. Since DDEAMC has not assessed its strategic managerial style nor has

control over pricing issues, it is difficult to specify any of the findings to DDEAMC; however, an element of pricing includes cost containment. To provide competitive pricing in the managed care arena, a provider must accurately know costs. The findings indicate that HMOs practicing effective pricing planning also perform well on an overall basis (Conant, Mokwa and Burnett 1989). Also, depending on strategic managerial style (defined by Miles and Snow as either an analyzer, defender, prospector and reactor) pricing planning may not play a very large part in the marketing mix. Prospectors place a strong emphasis on the product in their marketing mix rather than on pricing basis (Conant, Mokwa and Burnett 1989).

An analysis of the pricing structure of TRICARE Prime favors the military treatment facility as the low-cost leader. Active duty members and their beneficiaries pay no annual enrollment fee or copayments and have no deductibles to meet when care is received in the military treatment facility. Most military members are fixed in their income and should favor a lower cost plan. This is based on a study analyzing the decisions of 8,500 employees enrolled in the Federal Employees Health Benefits Program (FEHBP) when offered the choice of enrolling into an HMO or remaining with the traditional fee-for-service plan. The researchers reported that the employees decision to enroll into the HMO depended on the price and comprehensives of benefits of each option (Schuttinga et al. 1985).

TRICARE Prime controls access to specialists by assigning a Primary Care Physician to each beneficiary. The Primary Care Physician is responsible for a basic level of care and determines what specialty care will be received by the beneficiary. Other

aspects involved in the availability of services include the number of primary care clinics that would be staffed by physicians, clinic hours of operation and location of services.

By measuring consumer post-purchase satisfaction, a health care organization can focus management attention on areas of service that need improvement (Berkowitz 1996). An analysis of the OASD-HA outpatient survey will assist individual clinics in developing customer focused training for staff members to correct systematic problems and maximize scores. Question #3 on the survey solicits the customer's opinion on interpersonal skills demonstrated by the clinic staff. One of the more interesting parts to question #3 is the way parts of the question are asked about the customer's perception on quality of care. A strong relationship exists between employee satisfaction and patients' perceptions of the quality of their care, measured in terms of their intent to return and recommend the hospital to others (Atkins, Marshall and Javalgi 1996).

A form of internal marketing would call attention to satisfaction at all levels of the organization. It may benefit DDEAMC for the segment manager to work closely with the local union and human resources department in order to understand and influence employees' work environment and maintain a high level of job satisfaction. Question #4 goes as far as to ask if the customer would recommend the particular provider seen. A patient willing to recommend a provider is related to several consumer perceptions of quality (Peyrot, Cooper and Schnapf 1993). Characteristics measured by Peyrot et al. (1993) included staff behavior, information, comfort/convenience, atmospherics and perceived worth. Reinforcing the importance of word of mouth referrals by patients to their providers, Stewart et al. (1989) found health care consumers used family and friends

during external searches for information 49.9% of the time when picking a Primary Care Physician.

Questions 6 thru 11 deal with the concept of time and how it affected a patient's access to a particular clinic. The questions ask how the customer rates the number of days between the day the appointment was made and the day the customer was seen, and the number of minutes spent waiting. These questions focus on the performance of a dependable, accurate service which has been found by Mowen et al. (1993) to be the most critical predictor of quality. Much of a patient's waiting for health care falls in the negative experience range. The wait is usually unoccupied time, such as waiting for pre-process services. Mowen et al. (1993) found patients in an Emergency Room, who believe they were given a waiting time had an increased level of satisfaction.

Survey data are becoming a key component of MHSS Information Systems. Specifically, patient satisfaction has been identified as one of the most important outcomes of interest to OASD-HA. Surveys provide decision makers with the perspective of our various customers. With OASD-HA maintaining a centralized effort of data collection, direct comparisons among military treatment facilities can be made. Specific written comments from the surveys will also be forwarded to the facility, by the contractor, without analysis. Individual facilities can utilize the feedback to make improvements that are addressed in the survey.

## CONCLUSIONS/RECOMMENDATIONS

The purpose of this project was to outline the processes necessary for DDEAMC to develop successful marketing plans. The literature supported decentralizing the marketing function from the Managed Care Department to each Directorate. Naidu et al. (1993) found organizations that have effectively utilized product line management also have been marketing oriented. The results of this study support the recommendation to decentralize. However, current Directorate Health Care Administrators have large workloads and in the long run may not be able to accomplish all facets of a plan in an environment characterized by increased workloads and job uncertainty. Hiring a masters trained administrator will allow Directorates to delegate non clinical responsibilities to the new administrator and concentrate on running their organizations.

This project also delineated specific elements of a marketing plan to include a market analysis, customer analysis and marketing function. Since these actions are not often completed in the MHSS, it will be necessary to ensure new masters trained administrators have an understanding of marketing as it is applied in the civilian sector.

During the writing of this project OASD-HA developed a customer satisfaction survey. The survey was deployed in the early months of 1997 and the results for DDEAMC are not known as yet. The results of the survey will be published to each facility in the form of a report card. Use of this project will aid in maximizing customer satisfaction scores. As the literature indicated, customer satisfaction is an important factor in purchase decisions. A clinic or region that does not maintain a customer focus

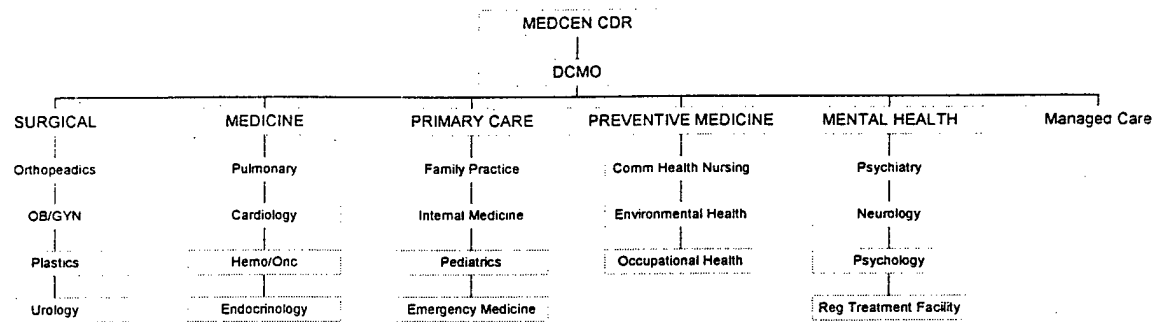
will no longer need to be supplemented by the Managed Care Support Contractor, but be replaced by it.

One issue that was not addressed in this project was a budget. Marketing at DDEAMC is not currently supported by a budget and because of cost containment it is doubtful if it ever will. With exception to advertising, only funding associated with the cost of personnel is required for many of the marketing elements.

The strength behind DDEAMC's strategic plan is the focus on the customer: military members, military families, retirees, civilian workers, vendors, and private and public organizations. Similarly, the marketing plan also has to define customers. One of the objectives of the strategic plan is to market DDEAMC and its academic programs (DDEAMC Strategic Plan 1994). Marketing is the front-line effort in determining where a DDEAMC's limited resources should be spent. Market research has much to offer in selecting valuable projects and contributing to their success. Too often service offerings are launched without the benefit of knowing what the market wants. The approach should be to determine what the market wants, then provide a service in a need-satisfying manner.

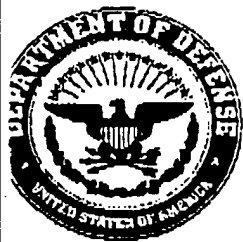
# DDEAMC Organizational Chart

## (Medical Operations Only)



## CUSTOMER PROFILE SURVEY

1. Please indicate if you are ☐ Male ☐ Female
2. Please indicate your age  
☐ less than 18 ☐ 18-29 ☐ 30-41 ☐ 42-53  
☐ 54-64 ☐ 65 or older
3. Please indicate your status  
☐ Active Duty ☐ Reserve ☐ Retired  
☐ Beneficiary of Active Duty ☐ Beneficiary of Reserve  
☐ Beneficiary of Retired ☐ Other \_\_\_\_\_
4. Please indicate your marital status  
☐ Single ☐ Married ☐ Separated ☐ Divorced ☐ Widow
- 5a. If you are a member of the military (AD or Reserve) what service do you belong?  
☐ Army ☐ Navy ☐ Air Force ☐ Marines  
☐ Coast Guard ☐ Other \_\_\_\_\_
- 5b. If you are a beneficiary are you enrolled in TRICARE Prime? ☐ Yes ☐ No
6. What is your pay grade or that of your sponsor?  
☐ E1 ☐ E2 ☐ E3 ☐ E4 ☐ E5 ☐ E6 ☐ E7 ☐ E8 ☐ E9 ☐ E10  
☐ W1 ☐ W2 ☐ W3 ☐ W4  
☐ O1 ☐ O2 ☐ O3 ☐ O4 ☐ O5 ☐ O6 ☐ O7 ☐ O8 ☐ O9 ☐ O10
7. Please indicate your ethnic background  
☐ White ☐ African American ☐ Hispanic ☐ American Indian  
☐ Asian ☐ Other \_\_\_\_\_
8. What is your residential zip code? \_\_\_\_\_
9. About how far did you drive to Eisenhower Medical Center today? \_\_\_\_\_
10. What radio station do you listen to most often? \_\_\_\_\_
11. What newspaper do you read most often? \_\_\_\_\_



THE ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301-1200

Walter Reed AMC  
Cardio/Thoracic Surg Clinic

Please use the enclosed envelope  
and mail the completed survey to:  
Department of Defense  
c/o National Research Corporation  
1033 D ST STE 401  
LINCOLN, NE 68508-8866  
1-800-753-3714

HEALTH AFFAIRS



\*123456789B1234\*

COLONEL JOHN DOE

123 ANY STREET

ANYTOWN CA 12345-6789

Dear Colonel John Doe:

The Department of Defense is seeking your help in gathering important information about your health care. This survey asks about your satisfaction with an appointment on 7 January 1997 in the Cardio/Thoracic Surg Clinic of Walter Reed AMC. I ask that you restrict your comments to that particular visit so we may focus on your satisfaction with that experience.

You were selected from a scientifically designed random sample of patients seen in that clinic. As in any sample survey, it is important that you respond so we may obtain a more accurate understanding of your satisfaction with your visit. Your feedback will offer the Commander of Walter Reed AMC and the entire leadership of the Military Health Services System valuable information for improving the services and health care we provide. Once you have answered all the questions, please detach this cover letter and return only the questionnaire (and any written comments you care to make) in the enclosed postage-paid envelope at your earliest possible convenience.

Your answers to this survey will be held in strictest confidence, and you will not be personally identified in any reports or release of survey data. However, any written comments you provide will be forwarded directly to the Commander of the facility you visited, so please do not identify yourself in your comments. If your comments are of an urgent or personal nature, please contact the Commander or Patient Representative directly. Only authorized personnel will have access to your name and address, and only for mailing purposes. Information which might be used to identify specific individuals will be removed from the files, and only group statistics will be reported.

I urge you to invest the 5 - 10 minutes which this survey will require to help us improve military medicine. Thank you for your help.

Stephen C. Joseph, M.D., M.P.H.  
Assistant Secretary of Defense  
Health Affairs

Harold M. Koenig  
Vice Admiral, Medical Corps, US Navy  
Surgeon General of the Navy



Walter Reed AMC  
Washington, D.C.  
Cardio/Thoracic Surg Clinic

RCS 123-4687  
Expires 15 February 2000

Please use the enclosed envelope  
and mail the completed survey to:  
Department of Defense  
c/o National Research Corporation  
1033 O ST STE 401  
LINCOLN NE 68508-9866  
1-800-733-6714

What was the main purpose  
of your visit on 7 January 1997  
to the Cardio/Thoracic Surg Clinic?

- ☐ Acute illness or injury  
☐ Routine illness or care for a chronic condition  
☐ Preventative or follow-up care

Did Dr. Anderson or another provider treat you?

- ☐ Dr. Anderson  
☐ Other Provider (please keep that person in mind  
as you complete this questionnaire).

Thinking about your visit on 7 January 1997, how would you rate Dr. Anderson  
and the staff of the Cardio/Thoracic Surg Clinic on:

	Poor	Fair	Good	Vary Good	Excellent
1. Friendliness and courtesy shown to you by the clinic's staff	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Attention given to what you had to say	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Thoroughness of treatment you received	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Explanations of medical procedures and tests	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Personal interest in you and your medical problems	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. Advice you received about ways to avoid illness and stay healthy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. Amount of time you had with Dr. Anderson and staff during your visit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8. How much you were helped by the care you received	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9. How well the care met your needs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10. Overall quality of the care and service you received	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Would you recommend Dr. Anderson  
to your family or friends?

- Definitely Not ☐ Probably Not ☐ Probably Yes ☐ Definitely Yes ☐

All things considered, how satisfied  
are you with the medical care  
you received at the  
Cardio/Thoracic Surg Clinic  
during this visit?

- | Completely<br>satisfied | Very<br>satisfied     | Somewhat<br>satisfied | Neither<br>satisfied nor<br>dissatisfied | Somewhat<br>dissatisfied | Very<br>dissatisfied  | Completely<br>dissatisfied |
|-------------------------|-----------------------|-----------------------|--|--------------------------|-----------------------|----------------------------|
| <input type="radio"/>   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>                    | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/>      |

How many days were there between  
the day your appointment  
was made and the day you  
saw Dr. Anderson?

- ☐ Same day ☐ 8 - 14 days  
☐ 1 day ☐ 15 - 30 days  
☐ 2 - 3 days ☐ More than 30 days  
☐ 4 - 7 days ☐ I did not have an appointment time;  
I "walked in" to the clinic. (GO TO Q8)

How would you rate the number of days between  
the day your appointment was made  
and the day you saw Dr. Anderson?

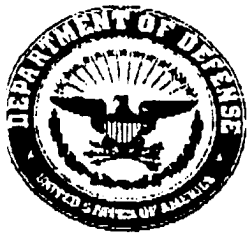
- | Poor                  | Fair                  | Good                  | Vary<br>Good          | Excellent             |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

\*12345A016K\*

(220646)

☐ PLEASE DO NOT WRITE IN THIS AREA - FOR OFFICE USE ONLY  
☐  
☐  
☐

\*12345A016K\*



Walter Reed AMC  
Washington, D.C.  
Cardio/Thoracic Surg Clinic

RCS 123-4687  
Expires 15 February 2000

Please use the enclosed envelope  
and mail the completed survey to:  
Department of Defense  
c/o National Research Corporation  
1033 O ST STE 401  
LINCOLN NE 68508-9855  
1-800-733-6714

What was the main purpose  
of your visit on 7 January 1997  
to the Cardio/Thoracic Surg Clinic?

- ☐ Acute illness or injury  
☐ Routine illness or care for a chronic condition  
☐ Preventative or follow-up care

Did Dr. Anderson or another provider treat you?

- ☐ Dr. Anderson  
☐ Other Provider (please keep that person in mind  
as you complete this questionnaire).

Thinking about your visit on 7 January 1997, how would you rate Dr. Anderson  
and the staff of the Cardio/Thoracic Surg Clinic on:

1. Friendliness and courtesy shown to you by the clinic's staff  
2. Attention given to what you had to say  
3. Thoroughness of treatment you received  
4. Explanations of medical procedures and tests  
5. Personal interest in you and your medical problems  
6. Advice you received about ways to avoid illness and stay healthy  
7. Amount of time you had with Dr. Anderson  
and staff during your visit  
8. How much you were helped by the care you received  
9. How well the care met your needs  
10. Overall quality of the care and service you received

Poor	Fair	Good	Very Good	Excellent
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Would you recommend Dr. Anderson  
to your family or friends?

- Definitely Not ☐ Probably Not ☐ Probably Yes ☐ Definitely Yes ☐

All things considered, how satisfied  
are you with the medical care  
you received at the  
Cardio/Thoracic Surg Clinic  
during this visit?

Completely satisfied	Very satisfied	Somewhat satisfied	Neither satisfied nor dissatisfied	Somewhat dissatisfied	Very dissatisfied	Completely dissatisfied
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

How many days were there between  
the day your appointment  
was made and the day you  
saw Dr. Anderson?

- ☐ Same day ☐ 8 - 14 days  
☐ 1 day ☐ 15 - 30 days  
☐ 2 - 3 days ☐ More than 30 days  
☐ 4 - 7 days ☐ I did not have an appointment time;  
I "walked in" to the clinic. (GO TO Q8)

How would you rate the number of days between  
the day your appointment was made  
and the day you saw Dr. Anderson?

Poor	Fair	Good	Very Good	Excellent
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

\*12345A016K\*

(220646)

☐ PLEASE DO NOT WRITE IN THIS AREA - FOR OFFICE USE ONLY  
☐  
☐  
☐

\*12345A016K\*

- How long did you wait for Dr. Anderson past your appointment time (or past the time you walked in if
- ☐ Did not wait      ☐ 21 - 30 minutes  
☐ 1 - 10 minutes      ☐ 31 - 60 minutes  
☐ 11 - 20 minutes      ☐ More than 60 minutes
- How would you rate the number of minutes you spent waiting for Dr. Anderson?
- Poor Fair Good **Very Good** Excellent  
☐ ☐ ☐ ☐ ☐
- How would you rate the Cardio/Thoracic Surg Clinic on:
- a. Ease of making this appointment by phone  
b. Access to medical care whenever you need it  
c. The process of obtaining a referral for specialty care
- Poor Fair Good **Very Good** Excellent N/A  
☐ ☐ ☐ ☐ ☐ ☐
- Thinking about times when you have called the Cardio/Thoracic Surg Clinic for medical information or advice, how would you rate the length of time it took clinic personnel to return your call?
- Poor Fair Good **Very Good** Excellent N/A  
☐ ☐ ☐ ☐ ☐ ☐
- All things considered, how satisfied were you with the Cardio/Thoracic Surg Clinic during this visit?
- Completely satisfied Very satisfied Somewhat satisfied **Neither satisfied nor dissatisfied** Somewhat dissatisfied Very dissatisfied Completely dissatisfied  
☐ ☐ ☐ ☐ ☐ ☐ ☐
- Previously we asked you about your specific appointment with Dr. Anderson and the Cardio/Thoracic Surg Clinic. We would now like to ask you some more general questions:
- How would you rate Walter Reed AMC on the following:
- a. Pharmacy services  
b. X-ray services  
c. Laboratory services  
d. Medical record services
- Poor Fair Good **Very Good** Excellent Haven't Used  
☐ ☐ ☐ ☐ ☐ ☐
- Are you enrolled in TRICARE Prime? ☐ Yes ☐ No (GO TO Q17)  
☐ Not eligible to enroll (GO TO Q17)  
☐ Don't know (GO TO Q17)
- Is Dr. Anderson (or the provider you saw) your Primary Care Manager? ☐ Yes ☐ No ☐ Don't know
- Based on your experience at Cardio/Thoracic Surg Clinic, if you were given the option, would you:
- ☐ Enroll in TRICARE Prime      ☐ Disenroll from TRICARE Prime      ☐ TRICARE Prime is not available in this area  
☐ Re-enroll in TRICARE Prime      ☐ Not enroll in TRICARE Prime
- In general, would you say your health is:
- Very Excellent** Good Good Fair Poor  
☐ ☐ ☐ ☐ ☐

If you would like to tell us about your last visit or your overall experience with Cardio/Thoracic Surg Clinic or Dr. Anderson, please write your comments on a separate sheet of paper and return it with this survey. The separate sheet will be forwarded directly to the Commander of Walter Reed AMC.

37-01

Thank you for completing this survey. Please return it in the postage-paid envelope at your earliest possible convenience.

\*12345B016K\*

(220646)

PLEASE DO NOT WRITE IN THIS AREA - FOR OFFICE USE ONLY

\*12345B016K\*

## WORKS CITED

- Allen, Bruce H. "Managing Marketing in Hospitals: Can it be done?" Health Care Marketing Review 88(January 1988): 49-53.
- Arnwine, Don L. and Deborah G. Novak. "Quality: The Process of Meeting Customer Needs." Health Care Marketing Review 88(January 1988): 5-7.
- Atkins, Mardeen P., Brenda Stevenson Marshall, and Rajshekhar G. Javalgi. "Happy Employees Lead to Loyal Patients." Journal of Health Care Marketing 16(Winter 1996): 15-23.
- Berkowitz, Eric N. Essentials of Health Care Marketing. Gaithersburg, MD. Aspen, 1996.
- Blair, Jo Ellen. "Social Marketing: Consumer Focused Health Promotion." Official Journal of the American Association of Occupational Health Nurses 43(October 1995): 527-31.
- Boxmeyer, James C. "Marketing/TRICARE: A Private Sector Comparison." U.S. Army Medical Department Journal 8-96(November/December 1996): 11-15.
- Conant, Jeffrey S., Michael P. Mokwa and John J. Burnett. "Pricing and Performance in Health Maintenance Organizations: A Strategic Management Perspective." Journal of Health Care Marketing 9(March 1989): 25-36.
- Cooper, Donald R. and C. William Emory. Business Research Methods Chicago, IL. Irwin, 1995.
- Department of Defense (HA)/TRICARE Marketing Office. 1996 TRICARE Marketing Plan Falls Church, VA. 1996.
- Duncan, W. Jack, Peter M. Ginter and Linda E. Swayne. Strategic Management of Health Care Organizations Cambridge, MA. Blackwell, 1996.
- Endress, Richard. "Total Physician Marketing: A Hospital's Top Marketing Priority." Health Care Marketing Review 88(January 1988): 27-33.

- Ferguson, Karen. Managed Care Department Brief. August 1996.
- France, Karen R. and Rajiv Grover. "What is the Health Care Product?" Journal of Health Care Marketing 12(June 1992): 31-38.
- Gillert, Douglas J. "Top DoD doc calls for focus on customers." The Mercury September 1996, 1-12.
- Hallums, A. "Developing a promotion plan for health care marketing." Journal of Nursing Management 2(July 1994): 167-174.
- Jensen, Joyce C. "Consumer Marketing in Health Services: Essential For Success." Health Care Marketing Review 88(January 1988): 21-26.
- Johnson, Susan C. "Tricare: The Military's Version of Managed Care." Medical Interface (June 1996): 86-89.
- Lead Agent Region 3. Marketing Plan Fort Gordon, GA 1995.
- Leventhal, Richard C. "The Marketing of Physicians' Services: Should Doctors Advertise?" Health Marketing Quarterly 12(April 1995): 49-57.
- Liedtka, Jeanne M. "Formulating hospital strategy: Moving beyond a market mentality." Health Care Management Review 17(January 1992): 21-26.
- Market Strategies, Inc. U.S. Army MEDCOM Marketing Conference Richmond, VA. 1994.
- Mowen, John C., Jane W. Licata and Jeannie McPhail. "Waiting in the Emergency Room: How to Improve Patient Satisfaction." Journal of Health Care Marketing 2(Summer 1993): 26-33.
- Nackel, John G., and Irvin W. Kues. "Product-Line Management: Systems and Strategies." Hospital & Health Services Administration 31(March/April 1986): 109-23.
- Naidu, G. M., Arno Kleimenhagen and George D. Pillari. "Is Product-Line Management Appropriate for Your Health Care Facility." Journal of Health Care Marketing 13(Fall 1993): 6-15.
- Ostasiewski, Paul and Douglas L. Fugate. "Implementing the Patient Circle." Journal of Health Care Marketing 14(Winter 1994): 20-26.
- Parmerlee, David. Preparing the Marketing Plan Lincolnwood, IL: NTC Business Books, 1993.

- Parry, Mark and Arthur E. Parry. "Strategy and marketing tactics in nonprofit hospitals." Health Care Management Review 17(January 1992): 51-61.
- Personett, Andrea and Ann Fyfe. "Market Segment Management: An Alternative to PLM." Health Care Marketing Review 88(January 1988): 17-20.
- Peyrot, Mark, Philip D. Cooper and Donald Schnapf. "Consumer Satisfaction and Perceived Quality of Outpatient Health Services." Journal of Health Care Marketing 13(Winter 1993): 24-31.
- Pryor, Chris. Your Marketing Plan Eugene, OR: Oregon Small Business Development Center Network, 1991.
- Ray, M.L. Advertising and Communication Management New Jersey, Prentice-Hall, 1982.
- Ruffner, John K. "Product-Line Management: How Six Health Care Institutions Make It Work." Health Care Forum (September-October 1986): 11-14.
- Schuttinga, J.A., Falik, M. and B. Steinwald "Health Plan Selection in the Federal Employees Health Benefits Program." Journal of Health Politics, Policy and Law 10(Spring 1985): 119-39.
- Stewart, D.W., G.B. Hickson, C. Peachman, S. Koslow, and W. Altemeir, "Information Search and Decision Making in the Selection of Family Health Care." Journal of Health Care Marketing 9(Spring 1989): 29-39.
- U.S. Army Medical Department. U.S. Army Medical Department Marketing Plan San Antonio, TX. 1995.
- U.S. Department of Defense. Assistant Secretary of Defense for Health Affairs. Policy for Specialized Treatment Services (October 1995).
- U.S. Department of Defense. Assistant Secretary of Defense for Health Affairs. Policy for Surveys within the Military Health Services System (MHSS) (November 1996).
- U.S. Department of Defense. Assistant Secretary of Defense for Health Affairs. Policy for Customer Satisfaction Survey (November 1996).
- Yin, R. Case Study Research: Design and Methods Newbury Park: Sage Publications 1989.

Zelman, William N. and Deborah L. Parham. "Strategic, operational and marketing concerns of product-line management in health care." Health Care Management Review 15(Winter 1990): 29-35.